DOCUMENT RESUME

ED 477 916 JC 030 355

TITLE	First Report to the Legislature on Status of Systemwide Investigation of College/High School Concurrent Enrollment.
INSTITUTION	California Community Colleges, Sacramento. Office of the Chancellor.
PUB DATE	2003-06-06
NOTE	37p.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	EDRS Price MF01/PC02 Plus Postage.
DESCRIPTORS	Budgets; Community Colleges; Costs; *Dual Enrollment; Educational Administration; *Educational Finance; Evaluation; Expenditures; *High School Students ; *Physical Education; Recreation Finances; Two Year Colleges

ABSTRACT

This is a report on the investigation of allegations that some California Community Colleges (CCC) improperly claimed state funds for high school students enrolled in classes that did not meet legal requirements for concurrent enrollment. The Orange County Register began investigating a complaint involving an Orange County college district in the summer of 2002. During the 5-year period from 1997-98 through 2001-02, concurrent enrollment programs in California expanded from 25,700 to 56,100 special admit FTES. This rapid expansion has been more pronounced in about 20% of the system's 72 districts, and particularly with respect to physical education programs. The Chancellor's Office and the Department of Finance jointly decided on this review as the initial phase of assessment of the problem. The review examined all course sections that had an enrollment of at least 50% special admit students and conformed to 1 of 2 other specifications. This document summarizes the overall findings for all 72 districts. The preliminary investigation found that at least 6,300 FTES were not compliant with current statutes and regulations, although not all of these received state funding. Therefore, the amount subject to recovery is limited to $3 million. The report also lists districts that identified unclaimable FTES but did not revise the apportionment claims. (NB)

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First Report to the Legislature
On Status of Systemwide Investigation of
College/High School Concurrent Enrollment

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California Community Colleges
Chancellor's Office
1102 Q Street
Sacramento, CA 95814-6511

June 6, 2003

TC030355

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Introduction

On December 6, 2002, as part of the "Mid-Year Spending Reduction Proposals" for 2002-03, the Administration proposed:

> "to recapture $80 million in Proposition 98 General Fund community college apportionments to reflect *estimated* noncompliant credit instruction claimed in 2001-02 by community college districts for concurrently enrolled K-12 students. The Administration *intends to conduct an audit* to identify the scope and breadth of these practices in colleges and K-12 districts." (emphasis added)

As a part of this proposal, the Director of the Department of Finance (then Tim Gage) requested the Chancellor of the California Community Colleges to collaborate and cooperate in conducting this audit.

In the legislative review of this proposal during January and February of 2003, the budget subcommittees determined not to act upon the Department of Finance's estimate of noncompliant activity, particularly in the absence of any form of an audit or formal investigation. Instead, the Chancellor's Office of the California Community Colleges and the Department of Finance agreed to jointly develop and conduct an investigation, and to report to Legislature and Governor in the spring, in a manner timely for deliberations on the 2003-04 Budget.

On March 4, 2003, the Chancellor's Office and the Department of Finance reached agreement on the methodology for the investigation; and on March 7, 2003, the Chancellor launched this investigation by requiring all districts to conduct specified reviews, provide specific documents and documentation, and sign responses under penalty of perjury by no later than April 7, 2003 (see copy of memorandum to Superintendents and Presidents in appendix D). Chancellor's Office staff subsequently reviewed data submitted by the districts for 8,809 course sections.

This report contains the preliminary results of the investigation, and constitutes the first progress report. The report is broken into four parts:

- Framing the problem and the scope of the investigation
- Summary of overall findings
- Summary of findings on a district-by-district basis, including site reviews and other follow up recommended for particular districts
- Conclusions and recommendations
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I. Framing the Problem and the Scope of the Investigation

Current provisions of the Education Code authorize K-12 pupils to attend community college classes while still enrolled in their K-12 school. This authorization is limited, however, and numerous requirements must be met. For instance, the pupil must have

permission from his/her parents, as well as the high school principal; the purpose is to provide educational enrichment opportunities (advanced scholastic or vocational work) for a limited number of eligible pupils; and other various requirements, including requirements and exceptions that apply to courses offered during the summer. When duly admitted, these K-12 pupils are called, "special admit" students, and their attendance qualifies for state support provided that they attend classes that are open to the general public. Full-time Equivalent Student (FTES)—the student workload measure for community college funding purposes—is generated, and is referred to as "special admit FTES."

During the five-year period of 1997-98 to 2001-02, concurrent enrollment programs expanded rapidly in the California Community Colleges. In the 1997-98 fiscal year, 25,700 special admit FTES was generated in the system, about 2.7% of the system's total FTES of 960,000. By 2001-02, the system had generated 56,100 special admit FTES, now about 4.9% of the system's total 1,146,000 FTES. The expansion of concurrent enrollment programs has been especially pronounced with respect to physical education offerings. Special admit FTES for physical education offerings grew from 7,329 FTES in 1997-98, to 19,065 FTES in 2001-02. By 2001-02, therefore, special admit physical education offerings constituted 34% of all concurrent enrollment FTES, and 1.7% of all the FTES generated by the community colleges as a system.

While concurrent enrollment programs have expanded rapidly since 1997-98, the expansion has been much more pronounced in about one-fifth (20%) of the system's 72 districts. This concentration of program growth has been especially evident with respect to physical education programs. By 2001-02, six districts within the system produced 53% of the physical education concurrent enrollment FTES generated by the entire system for that year: Los Angeles (5,267 FTES), Butte (1,250 FTES), North Orange (1,022 FTES), Contra Costa (981 FTES), Santa Clarita (874 FTES), and Mt. San Antonio (816 FTES). Given that these same districts produced about 20% of the system's total FTES for that year, their activity in concurrent enrollment physical education programs (10,210 FTES of the system's total PE concurrent enrollment FTES of 19,211) clearly stands out.

During 2001, the Chancellor's Office received two formal complaints involving allegations of colleges improperly claiming state funds for high school students enrolled in classes that did not meet legal requirements. Both complaints were investigated and both districts agreed to immediately cease the practices found to be unlawful. A third complaint, involving an Orange County college district, was received in August of 2002, and the Chancellor's Office is completing its investigation and will issue findings in June.

The Orange County Register began researching an investigative series on this matter in summer of 2002. Over the course of seven months, the Chancellor's Office provided extensive records to the newspaper and answered in-depth questions about enrollment and funding practices. Prior to publication of its series on December 12 and 13, 2002, the newspaper took its allegations to the Joint Legislative Audit Committee, and also provided information to the Department of Finance. Upon request of these entities, the

Chancellor's Office supplied information that it had provided to the *Orange County Register*.

In examining non-compliant or inappropriate activities regarding concurrent enrollment programs, it is helpful to distinguish three categories of problems. First, there are instances—such as those reported on in the *Orange County Register* articles—where fraudulent and unethical practices are being alleged, including: no actual course work being offered, double dipping (the State paying both a school district and a community college district for the same activity), coercion of high school students to enroll in college courses, etc. Where we have received complaints from parents, interested citizens or others, we are investigating these allegations. Our investigations to date lead us to believe that such violations are very limited or isolated within the community colleges. Specific site reviews will be conducted during the next several months to further investigate these concerns.

Second, and much more prevalent, are alleged violations of the various Education Code and regulatory provisions, including that the offerings aren't truly open to the general public, that permission of parents hasn't been obtained, that permission of the high school principal hasn't been obtained, that courses aren't of college-level rigor, etc. In making its call to reclaim apportionments, the Administration has cited violations of these provisions as the major focus.

Finally, the third category of problem centers not around legal violations, but rather around districts exercising poor judgment about program priorities and drifting from their core mission. That is, while college districts may be offering these concurrent enrollment programs in technical compliance with the law, the large and growing scale of these programs in some districts can lead policymakers to conclude the districts are either placing too much emphasis on programs not central to the community college mission, or that districts are offering these programs primarily to secure additional funding.

With respect to the first and second of these categories of problems, the Chancellor's Office believes it is appropriate to examine practices and behaviors that existed in prior fiscal years, and to reclaim funding based on violations that occurred during these years. As to the third category—poor judgment about priorities—these problems are best addressed prospectively. We recommend tightening the law (statutes and regulations), and then limiting or prohibiting funding with respect to programs offered from this point on. The State could still decide to reduce overall funding to the colleges. The State is simply saying it will not provide future funding for something that it has decided to disallow prospectively. This is very different than taking away funds based upon something a district did in the past that was then legal, but is now being made unlawful *after the fact*.

As to the first and second of these categories of problems, the Board of Governors has regulations and practices in place to enforce compliance and reclaim funding:

- Title 5 of the California Code of Regulations, Sections 59100 – 59118: provide for audits and audit resolution by the Chancellor; allow districts to substitute unfunded FTES for FTES that is found not to be in compliance; and provide for the Chancellor to withhold funds from future apportionments.
- Title 5, Sections 51100 – 51102: provide for review and enforcement of "minimum conditions" for receipt of state aid. Some of the regulations applicable to concurrent enrollment programs have been designated as "minimum conditions". If a minimum condition has been violated, all or part of a district's apportionment may be withheld by the Board of Governors.

To assess the magnitude of the alleged problems, the Chancellor's Office and the Department of Finance jointly decided on this review as the initial phase for all community college districts. Subsequently, the Chancellor's Office and the Department of Finance will follow-up on identified district problem areas through additional analysis, on-site visits, and whatever other measures are deemed appropriate, including the recovery of misclaimed funds.

This initial review examined all course sections that conformed to either of the following and had an enrollment of at least 50 percent special admit students:

- Any non-PE course section commencing between 7:00 am and 4:00 pm, Monday through Friday, or
- Any PE course sections commencing any time of the day, seven days a week, any time during the year.

The Chancellor's Office provided each district with a spreadsheet listing all concurrent enrollments for 2001-02 conforming to the above criteria and requested specific information concerning statutory and regulatory compliance. The Chancellor's Office asked districts to prepare comparable spreadsheets listing similar course sections for 2002-03 (if any), using the same criteria as that of the 2001-02 spreadsheet. The report for 2002-03 will allow the Chancellor's Office and the Department of Finance to jointly evaluate any change in the level of this type of concurrent enrollment activity at districts between the two fiscal years.

In addition, to further ensure compliance with the various Education Code and regulatory provisions on an ongoing basis, the Chancellor's Office and the Department of Finance have jointly developed new state compliance audit procedures for the districts' independent auditors that will be implemented as part of the financial and state compliance audit for 2002-03. The independent auditors will annually examine concurrent enrollment practices and assess the validity of apportionment claims based on concurrent enrollment. Title 5 provisions require each community college district to have an independent financial audit and the Chancellor's Office to assess and develop state compliance procedures sufficient to ensure compliance with regulatory and statutory requirements. Specifically, these new audit procedures require each district's independent auditors to sample concurrent enrollment sufficiently to obtain assurance that such course sections are open to the public, of college-level rigor, and have the

required parental and principal's approvals for each special admit pupil prior to enrolling in community college courses.

II. Summary of Overall Findings

For this review, the Chancellor's Office and the Department of Finance reviewed 8,809 course sections with an enrollment of at least 50 percent special admit students from 70 of the system's 72 districts. The Copper Mountain and Desert community college districts were not required to participate in this review because they had no course sections with special admit enrollments of at least 50 percent. The 8,809 course sections reviewed represented 54 percent of all special admit FTES generated in 2001-02. Our reasoning in establishing the 50% enrollment standard was that where regular community college students comprised at least half of the class, we could reasonably conclude the course was open to enrollment by the general public, was of college level, and that regular community college offerings were involved. Of the 8,809 course sections identified, 51 percent of these course sections were PE offerings. We especially examined the 43 percent of our sample of special admit course sections having 100 percent special admit enrollment. For each of these course sections of concern, the Department of Finance and the Chancellor's Office asked six questions:

- Was it conducted on a high school campus?
- Was it open to the public?
- Did it satisfy established standards for academic rigor?
- Did the district ensure that each pupil had parental permission?
- Did each special admit pupil have the principal's or designated representative's permission to enroll in the college courses?
- Could each district provide documentary evidence of approved course outlines, parental and school principal's permission?

In addition to answering these questions, we required districts to provide class schedules, so that we could independently verify the responses provided by districts. When necessary, we requested course catalogs or accessed the catalog on the college's website. All district responses were signed under penalty of perjury.

From our review of district responses, we found that 37 districts identified violations of requirements for claiming apportionment funding. However, 13 of the 37 districts identified relatively minor violations totaling less than 10 FTES for each district. Twenty-one of the 70 districts reviewed acknowledged not meeting the minimum requirements for course sections being open to the public, while 18 districts (not always the same) could not fully support having parental or K-12 principals' approvals for enrollment of special admit pupil in community college courses. Only five districts identified course sections designed without the minimum level of academic rigor required for claiming apportionment for community college courses. Finally, 15 districts indicated that they could not fully provide course outlines, parental, or principal's approvals sufficient to substantiate all their responses to this review.

We have agreed with the Department of Finance, as part of our jointly developed methodology, to determine FTES and dollar value that are in question for any particular district. Based upon our initial review, our current estimates of FTES for 2001-02 that have been or may be reduced because of concurrent enrollment offerings that are not qualified for apportionment range from approximately 5,500 to 11,200 FTES—which translates to a dollar value between approximately $18 million and $36 million. Because unfunded FTES must be used to offset disqualified FTES, and because many of the districts had unfunded FTES, the actual dollar amount that the State could eventually recover will be significantly less than the above estimates. (Many districts have significant numbers of "unfunded" FTES because they serve more FTES than the State funds under current budgeting procedures.)

Two major factors contributed to the large variance in estimated FTES that may not have qualified for apportionment: the first relates to openness of class sections and the second relates to parental approvals to take college courses. The lack of precise Title 5 guidance related to publicizing courses creates ambiguity and increases subjective interpretation by the districts of whether course sections are open to the public. Title 5 (Section 58104) specifies that all courses should be published in the college catalog or schedule of classes but allows leeway in compliance by stating that "Courses which are established or conducted after publication of the general catalog or regular schedule of classes shall be reasonably well publicized." We found numerous instances of districts claiming their course sections were open to the public based on the provisions of being reasonably well publicized. There are not, however, any guidelines for interpreting "reasonably well publicized." Additionally, the acceptability of procedures used by Middle College High Schools (MCHS), schools authorized to operate on college campuses in order to better transition the high school students into college, are difficult to evaluate without any regulatory guidelines addressing their particular situation.

As to the second issue, current law provides no guidance regarding parental approval in situations where minors are without a parent or guardian. For situations where the minor is placed by the court with an organization, but that organization is not the minor's legal guardian, the colleges have not been provided direction regarding the parental approval requirement.

As stated earlier, districts have a legal right to substitute disqualified FTES with unfunded FTES (Title 5, Section 59116). They can do this by taking the initiative of filing a "declaration of discrepancy," or by later substituting unfunded FTES as part of the audit resolution process. Based on the districts' reviews, 27 districts have exercised their legal option to reduce their apportionment funding claims for 2001-02 by filing a declaration of discrepancy. (See Appendix A) The total FTES involved in these declarations is 5,554 credit FTES; and, using the average adjustment of $3,200 per credit FTES translates to $17,800,000. Almost all of the FTES reported in these declarations is replaceable, pursuant to existing regulations, with allowable FTES that the State did not fund. This reduces the amount recoverable from this group of FTES to about $1.4 million. An additional 11 districts identified problems affecting their ability to claim apportionment funding for the associated course sections. We estimate these 11

districts could file adjustments for up to 760 FTES. These particular districts may not have sufficient unfunded FTES to offset up to approximately 75% of the FTES in question. The amount recoverable from these districts is an estimated $1.8 million (see Appendix B).

While FTES is one student workload measure for funding purposes, FTES is only one of four workload measures that drive the program based funding allocation for the community college system. Given that on the margin, each district receives growth at a statewide average rate of funding, we used an average rate per credit FTES for 2001-02 of approximately $3,200 (includes allocations for lottery and instructional equipment and the workload measure for headcount) and an average rate for non-credit FTES of $1,933. We used the credit FTES rate since almost all the course sections involved in this review were credit course sections. In addition, some districts will lose a portion of their basic skills supplement, since the supplement depends on reported unfunded FTES.

III. Summary of Results on a District-by-District Basis – including Recommended Follow Up

In the following section, we assess and comment on each district's review of concurrent enrollment and provide specific information on the magnitude of each district's special admit concurrent enrollments and the significance of PE course sections to the district's total concurrent enrollment program. Chancellor's Office staff has verified many of the responses provided by districts by checking them against the districts' course catalogs and class schedules. Please note that all references to course sections in this "district analysis" refer to those course sections that conform to the parameters presented earlier with respect to percentage of special admit enrollment, type of course, and time of day for offering the course. For those districts where the 2001-02 apportionment claim is reduced, allocations of lottery and instructional equipment funding will be correspondingly reduced since those allocations are based on total FTES (funded or unfunded).

1. Allan Hancock Community College District

The Chancellor's Office identified and reviewed 24 concurrent enrollment course sections for this review that included 5 sections of "Physical Fitness Lab" conducted on five high school campuses during the summer and 8 sections of "Esteem/Growth/Motivation," "Delegation & Stress Management," "Personal/Cross-cultural Interaction," and "Conflict Management/Team Work" also conducted at the high school campus for fiscal year 2001-02. We also reviewed three other PE course sections offered on the college campus. For 2002-03, the district provided 23 course sections within the parameters of this review including 18 PE course sections provided on the high school campus. The district's responses to our inquiries indicated that all these courses were open to the public, met academic standards, and included the required parental and principal permissions. All of the PE course sections we reviewed were listed in the district's schedule of classes.

Initial Conclusion and Recommendation: No additional action required at this time.

2. Antelope Valley CCD

The Chancellor's Office identified and reviewed 100 concurrent enrollment course sections including 34 sections of Pre-Season Sport Conditioning and 29 sections of Beginning/Intermediate Weight Lifting, 27 of which took place on the high school campus for fiscal year 2001-02. None of the Pre-Season Sport Conditioning classes were included in the class schedule, although the district indicated the course sections were posted to the college web page and at various other locations around campus using posters and flyers. For 2002-03, the district identified 145 course sections for this review including 102 PE course sections. These offerings included 58 sections of Pre-Season Sport Conditioning at the high school and again were not listed in the class schedule. The district used alternative means for notifying its student body and the community such as the college web page, posters, flyers, and email announcements. While this seems to satisfy Title 5 requirements, we are concerned that the district did

not include these course sections in its class schedule even though the previous year's experience with these course sections foreshadowed a continuation of that demand.
Initial Conclusion and Recommendation: Additional analysis should be done to determine if the district's registration system effectively excludes portions of its student body.

3. Barstow CCD

The Chancellor's Office identified and reviewed 11 concurrent enrollment course sections including 2 PE course sections provided at the college during 2001-02. The district did not identify any deficiencies in its compliance with required regulations for special admit concurrent enrollment. For 2002-03, the district identified only six course sections of concern for this review.
Initial conclusion and recommendation: No further action required at this time.

4. Butte CCD

The Chancellor's Office identified and reviewed 469 course sections for 2001-02 including 434 PE and Recreation course sections; 186 of the summer-term course sections that we had identified were not submitted for 2001-02 apportionment but were part of the district's 2000-01 claim for apportionment. FTES for courses using census reporting procedures may be claimed in either the fiscal year in which the census day procedure is completed or in the fiscal year in which the course ends. The district did not identify any deficiencies in its concurrent enrollment process and provided additional explanation supporting its analysis of its processes and course sections. Although 386 recreational course sections had "Youth" in their course title, the catalog descriptions did not limit registration. Course descriptions focused on instructing enrolled students to an acceptable level of proficiency in the particular sport. However, 371 of the 386 course sections were 100 percent special admit enrollment; the average special admit enrollment for all 386 course sections was 99.8 percent (12,661 of 12,680 enrollees). The district also indicated that, as of the Spring 2003 term, it has voluntarily decided to discontinue enrolling K-12 students in Physical Education and Recreation courses due to the uncertainty in the current political and economic environment. For 2002-03, the district provided a total of 32 PE and 393 Recreation course sections of concern for this review. None of the course sections held on K-12 sites occurred during the school day. Additionally, the district emphasized to the host school that classes were open to the public and enrollment was not to be restricted.
Initial conclusion and recommendation: Additional analysis will be done to determine if the course registration was restricted; a site visit may be required.

5. Cabrillo CCD

The Chancellor's Office identified and reviewed 25 course sections for 2001-02. The district did not report any deficiencies in its concurrent enrollment procedures in its response. The two PE sections in the review had 20 special admit enrollees out of a total enrollment of 37; no PE course sections took place on the high school campus. The district identified 15 course sections for this review for 2002-03. It noted no deficiencies with just one PE section being conducted.
Initial conclusion and recommendation: No further action is required at this time.

6. Cerritos CCD

The Chancellor's Office identified and reviewed 104 course sections for 2001-02. The district indicated that all 27 of the PE sections being reviewed were closed to the public and therefore reduced its 2001-02 apportionment claim by 259.85 FTES. For 2002-03, the district identified 23 course sections of concern for this review. The district's review found no discrepancies in these sections affecting concurrent enrollment compliance and indicated that it will not include any PE course sections in its 2002-03 claim.

Initial conclusion and recommendation: We anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $34,900.

7. Chabot-Las Positas CCD

The Chancellor's Office identified and reviewed 81 course sections during 2001-02. Chabot College identified and removed four concurrent enrollment sections from its 2001-02 apportionment claim. After this review, two sections of tournament basketball on high school campuses remained in the apportionment claim for Chabot College. Las Positas College identified 33 course sections for 2001-02. Las Positas indicated that none of its 13 PE sections were open to the public; the district reduced its 2001-02 apportionment claim by 85.46 FTES. The district will not claim any apportionment for special admit students in concurrent enrollment course sections on high school campuses for 2002-03.

Initial conclusion and recommendation: Additional analysis should assess the openness of the tournament basketball course sections. Additionally, we anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $11,500.

8. Chaffey CCD

The Chancellor's Office identified and reviewed 126 course sections for this review including 51 PE course sections consisting of 46 advanced weight training sections on high school campuses during 2001-02. The average special admit enrollment in these 46 sections was 97 percent (829 of 854). The district found no deficiencies in its review of its course sections or its concurrent enrollment processes. It provided 141 concurrent enrollment course sections for this review in 2002-03 including 72 PE course sections. Advanced weight training, conducted on the high school campus, comprised 67 of the 72 PE course sections and is described in the district's class schedule as "intended for students preparing for athletic competition".

Initial conclusion and recommendation: Additional analysis will be done due to the high concentration of PE course sections focusing on athletic competition.

9. Citrus CCD

The Chancellor's Office identified and reviewed 35 concurrent enrollment course sections for this review including 4 PE course sections, all on high school campuses, during 2001-02. The district did not identify any deficiencies in its concurrent enrollment procedures during its review. Additionally, Citrus CCD will not claim any apportionment

for special admit students in concurrent enrollment course sections conducted on the high school campus for 2002-03.
Initial conclusion and recommendation: No further action appears warranted at this time.

10. Coast CCD

The Chancellor's Office identified and reviewed 175 concurrent enrollment course sections for this review among its three colleges. Coastline College indicated that it could not provide evidence of the principal's permission documentation for six course sections [the college contends it originally had those permissions]; in addition, it identified two course sections for senior citizens that appeared to be incorrectly coded as concurrent enrollment courses. Golden West College responded to our queries on 139 concurrent enrollment sections for this review and indicated it could not locate evidence of the high school principal's permission for special admits in two course sections. Golden West College examined 139 course sections for this review including 127 PE course sections conducted on high school campuses. The district reduced its 2001-02 apportionment funding claim by 17.23 FTES for one course section it self-identified as not eligible for apportionment. For 2002-03, Golden West College identified 150 course sections of concern for this review on high school campuses including 120 PE course sections. Neither Coastline Community College nor Orange Coast offered any concurrent enrollment course sections on high school campuses in 2002-03.
Initial conclusion and recommendation: Additional analysis and review is necessary to determine if the district's registration system effectively limits enrollment. At a minimum, we anticipate a reduction in the basic skills supplement and in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $14,000 based on the district's reduced attendance claim.

11. Compton CCD

The Chancellor's Office identified and reviewed 158 course sections for this review including 125 PE course sections for 2001-02. The district found no deficiencies in its concurrent enrollment practices. Of the 125 PE course sections reviewed, 120 took place on high school campuses. The district's PE course sections included 81 course sections of "Team Sports," all taking place on high school campuses; the enrollment in over 80 percent (67 of 81) of these PE course sections was 100 percent special admit pupils. The average enrollment for all the "Team Sports" sections included in this review was 99 percent (2,402 of 2,421).
Initial conclusion and recommendation: Additional analysis is warranted due to the high concentration of PE course sections being provided on high school campuses.

12. Contra Costa CCD

The Chancellor's Office identified and reviewed 418 course sections for this review including 193 PE course sections. The three colleges in this district identified 62 course sections not open to the public and 54 additional course sections without high school principal approval for special admit students to attend community college courses. We examined the class schedules for one of the colleges and found nine course sections

"designed for high school students" or, in one case, recommended for students at a middle school. For 2002-03, Contra Costa CCD identified 456 course sections of concern for this review at its 3 colleges and indicated that it will not claim apportionment for 74 of these course sections because they were not open to the public. Due to the district's continuing investigation into several concurrent enrollment issues, the district has opted to continue its analysis of these issues and will not adjust its apportionment claim for 2001-02 at this time.
Initial conclusion and recommendation: The uncertainty in this situation requires additional analysis and review, probably including a site visit.

13. Copper Mountain CCD
Had no course sections that met the criteria for review.

14. Desert CCD
Had no course sections that met the criteria for review.

15. El Camino CCD
The Chancellor's Office identified and reviewed 287 course sections for 2001-02 including 240 PE course sections. We noted that at least 138 of these PE course sections included an enrollment limitation and 102 of these enrollment-limited sections had 100% special admit enrollment. The enrollment limitation specified that enrollment was limited to "tryout (high school varsity or equivalent skill)." The district self-identified five course sections that failed to satisfy the minimum requirements for claiming apportionment funding. For 2002-03, the district identified 318 course sections of concern for this review, including 247 PE course sections. At least 163 of these PE course sections included enrollment limitations similar to those already discussed.
Initial conclusion and recommendation: Additional analysis of this issue should document whether these registration practices restrict enrollment to a specialized clientele, thereby rendering those course sections not fully open to the public. Funding reductions will be implemented as necessary.

16. Feather River CCD
The Chancellor's Office identified and reviewed 195 course sections for 2001-02 for this review including 180 PE course sections. The district identified two sections that did not satisfy the minimum requirements for claiming apportionment. In addition, we noted five "Summer Sports Camps" sections with 388 special admit enrollees. The district adjusted its 2001-02 apportionment claim for the "Kamp Kidd" and the "Summer Sports Camps" by reducing its claim for 2001-02 apportionment funding by 38.16 FTES. For 2002-03, the district reported 14 course sections of concern for this review, including 3 PE course sections that took place away from the high school campus. The district certified that it will not claim any apportionment for special admit enrollment from concurrent education course sections conducted on a high school campus in 2002-03. The district also indicated that because of the State's concern over K-12 enrollments, it has converted the vast majority of its concurrent enrollment courses in this review to fee-based community service courses.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above, we anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $5,100.

17. Foothill-De Anza CCD

The Chancellor's Office identified and reviewed 175 course sections for 2001-02 including 69 PE course sections provided through its two colleges. Of these, De Anza College offered 33 total course sections including 8 PE course sections, none of which took place on a high school campus. Foothill College identified nine course sections that did not satisfy the minimum requirements for claiming apportionment. It also indicated that a random check of "approvals" revealed some sections with less than 50 percent of the required permissions. Seven course sections were identified as without discrepancy. Subsequent to its initial response, the district (Foothill College) reduced its 2001-02 apportionment funding claim by 90.1 FTES. The district reduced its claim for those course sections for which it did not have complete documentation of course openness including principal and parental approvals. During 2002-03, the district (Foothill College) provided 171 course sections, but no PE course sections, of concern for this review.

Initial conclusion and recommendation: Additional analysis and review is warranted to resolve the issue of missing principal's and parental permission documentation. We also anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $12,500.

18. Gavilan CCD

The Chancellor's Office identified and reviewed five course sections for 2001-02 including one PE course section. The district found no deficiencies in its concurrent enrollment procedures.

Initial conclusion and recommendation: No additional action is warranted at this time.

19. Glendale CCD

The Chancellor's Office identified and reviewed 13 course sections for 2001-02; none of these course sections were physical education. The district's review of these sections found no discrepancies in its concurrent enrollment procedures. For 2002-03, the district identified one course section of concern in this review but noted no discrepancies in its procedures.

Initial conclusion and recommendation: No additional actions are warranted at this time.

20. Grossmont-Cuyamaca CCD

The Chancellor's Office identified and reviewed 35 course sections for 2001-02 including 22 PE course sections. We noted that the PE course sections included nine sections of "Basketball League: Pre-College." Although the catalog description does not limit registration, special admit enrollment comprised 100 percent (218 of 218) in all of these sections. We also identified 10 course sections of "Olympic-power-circuit & conditioning" conducted on high school campuses. The average special admit

enrollment in these conditioning sections was 99.3% (589 of 591 enrollees). For 2002-03, the district identified 23 course sections of concern for this review including 17 exercise science course sections. The district found no discrepancies in its concurrent enrollment procedures during its review.
Initial conclusion and recommendation: Additional analysis should be done to resolve the registration system used by the district for its "Basketball League: Pre-College."

21. Hartnell CCD
The Chancellor's Office identified and reviewed 47 course sections for 2001-02. The district identified nine course sections that did not satisfy the minimum requirements for being open to the public and reduced its 2001-02 apportionment claim by 13.03 FTES. For 2002-03, the district identified 29 course sections of concern for this review; the district will not claim apportionment funding for any special admit enrollment from concurrent enrollment course sections offered on high school campuses in 2002-03.
Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above, we anticipate a reduction in basic skills supplement and in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $11,000.

22. Imperial CCD
The Chancellor's Office identified and reviewed five course sections for 2001-02, none of which were PE course sections. The district did not identify any discrepancies affecting apportionment claims for 2001-02.
Initial conclusion and recommendation: No additional action is warranted at this time.

23. Kern CCD
The Chancellor's Office identified and reviewed 99 course sections for 2001-02 including 32 PE course sections offered through its three colleges. The district determined that nine course sections, including five PE sections, were closed to the public during its review. We noted a course section entitled "Exploration of Arts for Kids" described as "two weeks of exploration in the arts for students from 8-16 years of age" in the class schedule. In our opinion, this description effectively limits enrollment by community college students outside the specified group and would disqualify the course for apportionment funding. The district reported that enrollment for the course section was 95 percent special admit (45 of 50). The district reduced its 2001-02 apportionment funding claim by 28.65 FTES for course sections, including the course described above, determined not to be open to the public and therefore not eligible for apportionment. For 2002-03, the district identified 85 course sections of concern for this review.
Initial conclusion and recommendation: Additional follow-up is warranted to resolve the issue noted above. Based on existing district reductions to its 2001-02 apportionment claim, we anticipate a reduction in basic skills supplement and in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $107,000.

24. Lake Tahoe CCD

The Chancellor's Office identified and reviewed 23 course sections for 2001-02. The district self-identified some special admit enrollment in 10 course sections associated with the grant-funded Independent Living program targeting foster-care youth. Youth in this program have no parents to provide parental permission. The district is attempting to determine if the court appointed group-home gave permission for its foster-care youth to attend the course sections and whether such permission satisfies the statutory requirement. For 2002-03, the district will not claim any apportionment based on special admit pupils in concurrent education course sections taking place on a K-12 campus.

Initial conclusion and recommendation: Additional analysis should be done to determine if group-home approvals substitute for parental approvals.

25. Lassen CCD

The Chancellor's Office identified and reviewed 92 course sections for 2001-02. The district responded that 13 course sections did not satisfy the minimum requirements for claiming state apportionment funding because of deficiencies in documentation of parental or principal approvals for K-12 pupils to attend college classes. As a result, the district reduced its claimed apportionment for 2001-02 by 53.15 FTES. For 2002-03, Lassen CCD identified 140 course sections of concern for this review. It reported 22 course sections in its summer 02 term that do not qualify for apportionment because of the lack of principal approvals to attend community college courses.

Initial conclusion and recommendation: Additional follow-up is required to determine the extent of any adjustment for 2002-03. Based on the reduced attendance claim for 2001-02, the Chancellor's Office will reduce district funding by approximately $7,100.

26. Long Beach CCD

The Chancellor's Office identified and reviewed 38 course sections for 2001-02 including 27 PE course sections. The district did not claim 2001-02 apportionment funding for 30 of those course sections, including all the PE course sections, because they had been claimed in a prior year. FTES for courses using census reporting procedures may be claimed in either the fiscal year in which the census day procedure is completed or in the fiscal year in which the course ends. For 2002-03, the district identified 28 course sections for this review including 22 PE course sections that were claimed in 2001-02. Since the district did not claim apportionment in the year of the review for the PE course sections we included on our spreadsheet, the district did not address whether it acquired the necessary parental and principal approvals for special admit enrollments in community college courses.

Initial conclusion and recommendation: Additional analysis and review are required to determine whether the district's PE course sections for the summer 01 and summer 02 terms satisfied the requirements for claiming apportionment funding. The district also needs to identify those 2002-03 (summer 02 term) course sections that were included in the district's 2001-02 apportionment claim so that we can determine if they were appropriately claimed.

27. Los Angeles CCD

The Chancellor's Office identified and reviewed 1,720 course sections including 1,195 PE course sections for 2001-02. Due to the large number of course sections involved in this review at its nine college campuses, this district sought and received our permission to utilize an independent CPA firm to audit the district's compliance with concurrent enrollment regulations and, based on that audit, propose an adjustment for the district's entire population of concurrent enrollment course sections. The Chancellor's Office discussed the proposed audit approach with the contracted CPA firm and approved the district's proposal. The Chancellor's Office also discussed this methodology to the Department of Finance during the next meeting the two agencies. Based on those audit results, the district reduced its apportionment claim for 2001-02 by 3,795.17 FTES.

Initial conclusion and recommendation: Because the audit report did not become final until May 14th, we have not been able to fully review the specifics of the audit. Further analysis and follow up is necessary. However, we do anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $510,000.

28. Los Rios CCD

The Chancellor's Office identified and reviewed 369 course sections for 2001-02 including 68 PE course sections offered through its three colleges. In its review, the district identified 109 course sections (342.57 FTES) that did not satisfy the minimum requirements for apportionment funding and has reduced its apportionment claim accordingly. The district's revised apportionment claim included only 17 of its originally reviewed 68 PE course sections. For 2002-03, the district identified 161 course sections for this review.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above for 2001-02, we anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $46,000.

29. Marin CCD

The Chancellor's Office identified and reviewed 32 course sections for 2001-02 including 13 PE course sections. According to the district, all the course sections included in this review complied with the minimum requirements for claiming apportionment. The average special admit enrollment for all identified PE sections of concern was 85% (613 of 724). The district indicated that it would not claim apportionment funding for any special admit enrollees in concurrent enrollment courses offered on K-12 campuses for 2002-03.

Initial conclusion and recommendation: No additional action is warranted at this time.

30. Mendocino-Lake CCD

The Chancellor's Office identified and reviewed 85 course sections including 55 PE course sections during 2001-02. The district's review noted that it could not provide evidence that the high school principal's approvals had been obtained for 38 course

sections, the entire summer 01 term. Subsequently, the district indicated that it would obtain the necessary documentation for those course sections originally identified as non-compliant. For 2002-03, the district identified 88 course sections of concern for this review. Based on its review, the district initially disqualified all its special admit enrollment associated with PE sections being reviewed but subsequently indicated that it could obtain all the necessary supporting documentation.

Initial conclusion and recommendation: Additional analysis and review is warranted to verify that the special admit pupils initially received their principal's approvals and that those approvals were provided before the pupils attended the college courses.

31. Merced CCD

The Chancellor's Office identified and reviewed 51 course sections for 2001-02. The district noted 27 course sections that it would not continue to claim for apportionment funding in future years and subsequently reduced its 2001-02 apportionment claim for special admit enrollment by 40.85 FTES. The district could only provide partial information for 2002-03 course sections at this time.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above for 2001-02, we anticipate a reduction in basic skills supplement and in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $162,000. We will complete our review of 2002-03 course sections as the information becomes available.

32. Mira Costa CCD

The Chancellor's Office identified and reviewed 42 course sections for 2001-02; no PE course sections were included. The district determined that all the course sections in this review met the minimum requirements for claiming apportionment funding. It also noted, however, that 45 of the parental and principal's approval documents for the special admit enrollees throughout all its reviewed course sections could not be located. The district revised its Apportionment Attendance Report by 3.69 FTES because of these discrepancies. For 2002-03, the district identified 24 course sections of concern for this review. Again, no PE sections were included in this review. The district's review for 2002-03 found no discrepancies but did note that 44 of its approval documents for its special admit enrollees had not yet been located.

Initial conclusion and recommendation: Additional analysis is warranted to verify those special admit students without the required approval documents for 2002-03 and to determine the FTES associated with their enrollments. We also anticipate a reduction in basic skills supplement and in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $800.

33. Monterey Peninsula CCD

The Chancellor's Office identified and reviewed 74 course sections for 2001-02 including 42 PE course sections. The district's review did not identify any deficiencies in compliance with concurrent enrollment requirements for claiming apportionment in its course sections. In reviewing the Schedule of Classes, we noted that the district claimed apportionment funding for "Foundation of Personal Fitness – Part 1" and "Foundation of Personal Fitness – Part 2." The class schedule specifies in its course

descriptions that these two courses are "Designed for high school students." While the college did inform the high school administration that all sections offered off campus are open to the general public, the effect of the course description in the class schedule probably discourages non-high school students from registering for this course. The seven fitness course sections all had 100 percent special admit enrollment. A Chancellor's Office legal opinion, Legal Opinion 98-17 (October 20, 1998), provided to the Superintendents and Presidents, Chief Instructional Officers, Chief Student Services Officers, Chief Business Officials, and Admissions Officers and Registrars of all community college districts by the General Counsel of the Chancellor's Office specifically stated that "if apportionment is to be claimed for attendance of minors in credit or noncredit courses: The courses must be open to the general public and must be published in the official catalog and/or schedule of classes with a description that would not discourage enrollment by others who want to avail themselves of the instruction." While the district had previously reduced its apportionment claim for 2001-02 by 9.23 FTES, it subsequently determined that it would not further revise its apportionment claim for the issues noted above. For 2002-03, Monterey CCD identified 73 course sections of concern for this review. Based on its review, the district did not identify any discrepancies affecting its apportionment claim for 2002-03. However, as in 2001-02, the district offered 15 course sections of Foundation of Personal Fitness – Parts 1, 2, 3, or 4.

Initial conclusion and recommendation: Additional analysis of those PE courses "Designed for high school students" and any additional adjustments of apportionment claims should be done as warranted from the evidence. We also anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $1,200.

34. Mt. San Antonio CCD

The Chancellor's Office identified and reviewed 272 course sections for 2001-02 including 252 course sections of either "Strength Training," "Total Fitness," or "Fitness & Body Conditioning." The average special admit enrollment in these sections is 97 percent (7,836 of 8,057); all of these PE course sections took place on high school campuses.

Initial conclusion and recommendation: Additional review and analysis is warranted to determine if these high school based course sections were open to the public.

35. Mt. San Jacinto

The Chancellor's Office identified and reviewed 58 course sections for 2001-02 including 12 PE course sections. During 2002-03, the district identified 25 course sections of concern for this review including 12 PE course sections. The district's review indicated that all its concurrent enrollment course sections satisfied the minimum requirements for claiming apportionment funding.

Initial conclusion and recommendation: No additional action is warranted.

36. Napa Valley CCD

The Chancellor's Office identified and reviewed 71 course sections for 2001-02 including 28 PE course sections. During 2002-03, the district identified 62 course

sections of concern for this review. The district's review of these special admit course sections indicated that they all satisfied the minimum requirements for claiming apportionment funding.
Initial conclusion and recommendation: No additional action is warranted.

37. North Orange County CCD

The Chancellor's Office identified and reviewed 225 course sections for 2001-02 including 133 course sections of "Fitness for Athletes" and 66 course sections of "Weight Lifting for Athletes." The district determined that these course sections met the minimum requirements for claiming apportionment in its review of special admit enrollments. For 2002-03, the district identified another 34 course sections of "Fitness for Athletes" on the high school campuses. The Cypress College Catalogs for the years in question described "Fitness for Athletes" (PE 083C) as "designed for Bridge high school students to practice in anaerobic and aerobic fitness and flexibility for competition in various intercollegiate sports." The catalogs also describe "Weight Lifting for Athletes" (PE 93) as "designed for Bridge high school students. It is an introduction and review of weight lifting techniques that produce muscle mass and strength." We found no qualifying annotation in either course description indicating that these courses were open to all students or the general public. In contrast, the Fullerton College Catalog did not use such restrictive language although it did offer the same courses (PE 083 and PE 93). The district asserts that the course descriptions in the Cypress College Catalog have been corrected this year (2003). The effect of the descriptions from the 2001-02 catalog is to discourage non-high school students from registering for this course. Legal Opinion 98-17 (October 20, 1998), provided to the Superintendents and Presidents, Chief Instructional Officers, Chief Student Services Officers, Chief Business Officials, and Admissions Officers and Registrars of all community college districts by the General Counsel of the Chancellor's Office specifically stated that "if apportionment is to be claimed for attendance of minors in credit or noncredit courses: The courses must be open to the general public and must be published in the official catalog and/or schedule of classes with a description that would not discourage enrollment by others who want to avail themselves of the instruction". In addition, a specific compliant has been filed by parents against the North Orange County CCD and is nearly completed. We will pursue this investigation to completion, and support any separate enforcement warranted by the investigation.
Initial conclusion and recommendation: Additional analysis and review, including site visits, will be performed to resolve these issues.

38. Ohlone CCD

The Chancellor's Office identified and reviewed 180 course sections for 2001-02 included 74 PE course sections and 161 credit course sections for 2002-03 including 46 PE course sections. The district's review of its special admit enrollment determined that all the course sections in this review satisfied the minimum requirements for claiming apportionment for 2001-02 or 2002-03.
Initial conclusion and recommendation: No additional actions appear warranted at this time.

39. Palo Verde CCD

The Chancellor's Office identified and reviewed 78 credit course sections for 2001-02 including two police explorer academy course sections each in the fall and spring terms (Total FTES for the four course sections is approximately 0.44). The district indicated that it would not claim apportionment funding for any special admit enrollees in concurrent enrollment course sections conducted on high school campuses for 2002-03.

Initial conclusion and recommendation: No site visit is needed due to the relatively immaterial nature of the issue. Additional review and discussion of the police explorer academy course sections should be sufficient to resolve remaining questions.

40. Palomar CCD

The Chancellor's Office identified and reviewed 72 credit course sections for 2001-02 and 43 course sections for 2002-03. The district self-identified four course sections that were targeted for "youth" and that it would no longer claim for apportionment. The district reduced its claim for apportionment funding for 2001-02 by 5.13 FTES. The district also will not claim apportionment funding for 16 other self-identified course sections in 2002-03.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above, we anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $700.

41. Pasadena Area CCD

The Chancellor's Office identified and reviewed 12 credit course sections for 2001-02 including 2 PE course sections and 1 course section of concern for 2002-03. The district identified one course section in 2001-02 that was not open to the public but has not yet reduced its claim for apportionment funding.

Initial conclusion and recommendation: The Chancellor's Office will confirm the special admits associated with this course section and adjust the district's apportionment claim if warranted.

42. Peralta CCD

The Chancellor's Office identified and reviewed 139 credit course sections for 2001-02 including 74 PE course sections. The district initially identified 11 course sections that were not open to the public but has subsequently reduced its apportionment claim for 2001-02 by 186.43 FTES. For 2002-03, the district certified that it will not claim apportionment for special admit enrollment in course sections conducted on a high school campus and that all other apportionment claims generated by special admit courses will be in full compliance with applicable statutes and regulations that require courses to be open to the public, that course work is at the college level, and that the special admit student's attendance has been approved by his/her parents and the high school principal.

Initial conclusion and recommendation: Although the district appears to have resolved the issues for 2001-02 noted above, we anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $25,000.

43. Rancho Santiago CCD

The Chancellor's Office identified and reviewed 40 credit course sections for 2001-02 through its two colleges. The district's review found that one of its course sections was not open to the public. The district did not revise its claim for apportionment funding for 2001-02.

Initial conclusion and recommendation: The Chancellor's Office should do further analysis of the special admits associated with this course section and adjust the district's apportionment claim if necessary.

44. Redwoods CCD

The Chancellor's Office identified and reviewed eight credit course sections for 2001-02 including one PE course section. The district determined that its entire concurrent enrollment being reviewed complied with the minimum requirements for claiming state apportionment funding. For 2002-03, the district certified that it will not claim apportionment funding for any special admit enrollment from course sections conducted on a high school campus; and that all other apportionment funding claimed for special admit enrollment is in full compliance with applicable statutes and regulations that require courses to be open to the public, that course work is at the college level, and that the special admit student's attendance has been approved by his/her parents and the high school principal.

Initial conclusion and recommendation: No additional actions appear warranted at this time.

45. Rio Hondo CCD

The Chancellor's Office identified and reviewed 14 course sections for 2001-02 (no PE course sections) including 2 non-credit course sections. The district's review found that all its concurrent enrollment course sections included in this review met the minimum requirements for claiming state apportionment. For 2002-03, the district identified 15 course sections of concern for this review including 7 PE course sections.

Initial conclusion and recommendation: No additional actions are warranted at this time.

46. Riverside CCD

The Chancellor's Office identified and reviewed 177 credit course sections for 2001-02 including 131 PE course sections. The district identified 33 course sections that failed to satisfy the minimum qualifications for claiming apportionment and reduced its apportionment claim for 2001-02 by 41.25 FTES related to these 12 course sections including 9 PE course sections. The district also provided additional analysis for 19 of the remaining 21 course sections in question. The issues in question focused on aspects of parental or principal permission for special admit students taking college courses.

Initial conclusion and recommendation: Additional analysis should be done to resolve any remaining questions concerning the allowability of parental and principal approvals by the district. We also anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $5,500.

47. San Bernardino CCD

The Chancellor's Office identified and reviewed 73 course sections for 2001-02 including 41 PE sections at its two colleges. The district reduced its claimed apportionment for 2001-02 by 1.48 FTES for missing documentation of principal or parental permission associated with a portion of the special admit enrollment in eight of the course sections it reviewed.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above, we anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $200.

48. San Diego CCD

The Chancellor's Office identified and reviewed 107 course sections for 2001-02 (no PE course sections) at its three colleges. The district's review determined that 75 course sections were not open to the public due to a lack of parental and principal permission documentation and therefore did not qualify for apportionment funding. Based on that review, the district reduced its claim for 2001-02 apportionment by 254.60 FTES. Additionally, San Diego CCD will not claim any apportionment for special admit students in concurrent enrollment course sections conducted on high school campuses for 2002-03.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above, we anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $34,200.

49. San Francisco CCD

The Chancellor's Office identified and reviewed 91 course sections for 2001-02 including 23 PE course sections and 12 non-credit course sections. The district determined that 76 course sections including all its PE course sections were not open to the public. The district subsequently reduced its claimed apportionment by 91.89 credit FTES and 69.83 noncredit FTES. For 2002-03, the district identified 70 course sections of concern for this review and determined that 59 sections were not open to the public. It will exclude those course sections from its 2002-03 Apportionment Attendance Report.

Initial conclusion and recommendation: The Chancellor's Office should confirm the special admits associated with those course sections not open to the public and adjust the district's apportionment claim as appropriate. The Chancellor's Office will reduce the district's funding by an estimated $266,700, based on the district's reduced attendance claim for 2001-02.

50. San Joaquin Delta CCD

The Chancellor's Office identified and reviewed 90 credit course sections for 2001-02 including 59 PE course sections. Based on its review, the district determined it would not claim apportionment for 12 course sections and reduced its apportionment claim by 13.73 FTES. The district identified one additional course section where it adjusted the time of the course to resolve a scheduling conflict for one student but does not intend to adjust its Apportionment Attendance Report. For 2002-03, the district identified 135

course sections of concern for this review including 115 PE course sections that all took place away from the high school campus.
Initial conclusion and recommendation: The Chancellor's Office should reconfirm the details of course sections mentioned above and make the adjustment indicated. No district visit is warranted. We also anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $1,800.

51. San Jose-Evergreen CCD
The Chancellor's Office identified and reviewed 90 course sections for 2001-02 including 19 PE course sections through its two colleges. The district identified 34 course sections without sufficient documentation of parental permission although, in almost all cases, it has the high school principal's approval. The district has indicated that it will not exercise its option to file an adjustment to its 2001-02 apportionment claim at this time and it will await further clarification by oversight or legislative agencies. The district is, however, revising its process to include positive assurance for both parental and principal permission.
Initial conclusion and recommendation: The Chancellor's Office will conduct additional analysis and reduce the district's 2001-02 apportionment if warranted.

52. San Luis Obispo CCD
The Chancellor's Office identified and reviewed 16 course sections for 2001-02 including 4 PE course sections. The district determined during its review that two of its course sections were not open to the public but has not yet revised its 2001-02 claim for apportionment funding.
Initial conclusion and recommendation: The Chancellor's Office will confirm the special admits associated with those course sections not open to the public and adjust the district's apportionment claim accordingly.

53. San Mateo CCD
The Chancellor's Office identified and reviewed 86 course sections for 2001-02 including 33 PE course sections through its three colleges. The district self-identified 23 course sections as not open to the public and has reduced its claim for apportionment funding for 2001-02 by 34.57 FTES. In our review we noted six course sections of "High School Basketball," "TEAM 880," at its Skyline College. The college's schedule of classes described the TEAM 880 course sections as: "classes for the Skyline College Summer League high school basketball teams. All participants will be registered by their high school coaches." Subsequent to its initial response, the district revised its apportionment claim for 2001-02 because its registration procedures and the course description in the college's schedule of classes suggest that the TEAM 880 course sections were not open to the general public. For 2002-03, two of the district's three colleges certified that they would not be claiming apportionment for any special admit enrollment in course sections conducted on a high school campus. The colleges indicate that all other apportionment claimed for special admit courses is in full compliance with applicable statutes and regulations that require courses to be open to the public, that course work is at the college level, and that the special admit student's attendance has been approved by his/her parents and the high school principal.

Initial conclusion and recommendation: The Chancellor's Office should determine if the "TEAM 880" course sections were included in the FTES adjustment made by the district and make additional adjustments if they were not included. We also anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $5,600.

54. Santa Barbara CCD

The Chancellor's Office identified and reviewed 85 credit course sections for 2001-02 and 104 course sections for 2002-03. All the courses identified were non-PE course sections. The districts review did not identify any deficiencies in its concurrent enrollment procedures.

Initial conclusion and recommendation: No additional actions appear warranted at this time.

55. Santa Clarita CCD

The Chancellor's Office identified and reviewed 205 course sections for 2001-02 including 179 PE course sections and 290 course sections including 266 PE course sections for 2002-03. The district indicated that 174 of its 2001-02 PE course sections and 264 of its 2002-03 PE course sections took place on high school campuses. The district determined that all its concurrent enrollment course sections met the minimum requirements for apportionment funding. We noted that selected addenda provided to its surrounding community by the college described at least 95 of its offered PE sections for 2001-02 with descriptors such as "V", "JV", and "F." Specifically, the addenda included course sections such as "Football (V)," "Football (JV)," and "Football (F)". These annotations seem to correspond with high school varsity, junior varsity, and freshman sports. Additionally, these addenda identified specific individuals and telephone numbers for additional information. The telephone numbers provided were to various high school administrative offices. The enrollment data we have for the 95 course sections indicates they were 97 percent (2,983 of 3076) high school pupils. As discussed earlier, the Chancellor's Office Legal Opinion 98-17 specifies that "courses must be open to the general public and must be published in the official catalog and/or schedule of classes with a description that would not discourage enrollment by others who want to avail themselves of the instruction." The descriptions employed for the course sections in question would probably discourage enrollment by regular community college students.

Initial conclusion and recommendation: Due to the limited available documentation, these offerings and the associated registration methodology warrant additional review and analysis. Based on the results of this additional analysis, an adjustment to the district's apportionment claim for 2001-02 may be required.

56. Santa Monica CCD

The Chancellor's Office identified and reviewed 119 course sections for 2001-02 including 14 PE course sections and 99 course sections of concern for this review including 19 PE course sections for 2002-03. For 2001-02, special admit enrollments for 85 of the 119 course sections, including all but two of the PE course sections, were 100 percent. The district uses a Dual Enrollment Program that provides increased

opportunity for high school students to take college-level courses on their high school campus. The district determined that all its course sections satisfied the minimum requirements for claiming apportionment funding.
Initial conclusion and recommendation: Additional analysis is warranted to determine if the course sections associated with the Dual Enrollment Program are effectively open to the total community college population and the general public.

57. Sequoias CCD
The Chancellor's Office identified and reviewed 93 course sections for 2001-02 including 5 PE course sections and 54 course sections of concern for this review including 4 PE course sections for 2002-03. The district determined that all its course sections in this review satisfied the minimum requirements for apportionment funding. None of the reviewed PE course sections were offered on a high school campus.
Initial conclusion and recommendation: No additional action seems warranted at this time.

58. Shasta-Tehama-Trinity CCD
The Chancellor's Office identified and reviewed 279 course sections for 2001-02 including 189 PE course sections. Special admit enrollment in 48 of these PE course sections was 100 percent. The district did not identify any discrepancies in its response to this review although it reduced its apportionment claim for 2001-02 by 87.06 FTES.
Initial conclusion and recommendation: We anticipate a reduction for fiscal year 2001-02 of approximately $78,000, based on the reduced apportionment claim filed by the district. Additional analysis will be performed to determine whether of the district's adjustment to its apportionment claim was complete. A site visit is probably not warranted at this time.

59. Sierra CCD
The Chancellor's Office identified and reviewed 74 course sections for 2001-02 including 46 PE course sections and 64 course sections of concern for this review including 50 PE course sections for 2002-03. The district determined that 42 sections, including all but 3 of the PE course sections being reviewed, were not open to the public and did not meet the minimum standards for college-level academic rigor. The district elected not to exercise its option to revise its 2001-02 claim for apportionment at this time.
Initial conclusion and recommendation: The Chancellor's Office will confirm the special admits associated with those course sections not open to the public and adjust the district's apportionment claim as necessary.

60. Siskiyous CCD
The Chancellor's Office identified and reviewed 93 course sections for 2001-02 including 48 PE course sections and 90 course sections of concern for this review including 59 PE course sections for 2002-03. Only six of the district's PE course sections being reviewed for 2001-02 took place on the high school campus. The district did not identify any deficiencies in its special admit enrollment procedures from its review.

Initial conclusion and recommendation: No additional action appears warranted at this time.

61. Solano CCD

The Chancellor's Office identified and reviewed 67 course sections for 2001-02 including 44 PE course sections and 90 course sections of concern including 49 PE course sections for 2002-03. The district did not identify any deficiencies in its special admit enrollment procedures based on its review.

Initial conclusion and recommendation: No additional action appears warranted at this time.

62. Sonoma County CCD

The Chancellor's Office identified and reviewed 93 course sections for 2001-02 including 43 PE course sections and 73 course sections of concern including 57 PE course sections for 2002-03. Based on its review of concurrent education enrollment, the district determined that two course sections did not satisfy the minimum requirements for claiming apportionment and therefore reduced its 2001-02 apportionment claim by 6.37 FTES. The district included 22 non-credit course sections associated with the "Adelante Program" in its claimed courses for 2001-02.

Initial conclusion and recommendation: Additional assessment should be done to determine if the underlying federal grant restrictions preclude these course sections from being open to the public and thus claimed for apportionment. We also anticipate a reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $900.

63. South Orange County CCD

The Chancellor's Office identified and reviewed 54 course sections for 2001-02 including 19 PE course sections through its two colleges. The district conducted 9 of its 19 PE course sections on high school campuses. Based on its review of concurrent education enrollment, the district determined that two course sections (independent study—one student in each section) did not satisfy the minimum requirements for apportionment funding and therefore reduced its apportionment claim by 31.77 FTES. For 2002-03, the district certified that it will not claim apportionment funding for special admit enrollment in course sections conducted on a high school campus and that all other apportionment claims generated by special admit courses will be in full compliance with applicable statutes and regulations that require courses to be open to the public, that course work is at the college level, and that the special admit student's attendance has been approved by his/her parents and the high school principal.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above for 2001-02, we anticipate a reduction for fiscal year 2001-02 of approximately $102,000, based on the district's reduced attendance claim.

64. Southwestern CCD

The Chancellor's Office identified and reviewed 41 course sections for 2001-02 including 4 PE course sections through its two colleges. The district conducted all its PE course sections on its campus; special admit enrollments accounted for only 11 of

the 18 total PE enrollments. Based on its review, the district determined that 21 course sections did not satisfy the minimum requirements for being open to the public and therefore reduced its 2001-02 apportionment claim by 9.70 FTES. For 2002-03, the district identified 27 course sections of concern for this review and determined that all the reviewed course sections met the minimum requirements for claiming apportionment funding. The district did not offer any PE course sections of concern for this review in 2002-03.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above for 2001-02, we anticipate a reduction in basic skills supplement and in lottery and instructional equipment funding allocations for fiscal year 2001-02 of approximately $1,600.

65. State Center CCD

The Chancellor's Office identified and reviewed 22 course sections for 2001-02 including 4 PE course sections through its 2 colleges. For 2002-03, the district certified that it will not claim apportionment for special admit enrollment in courses conducted on a high school campus and that all other apportionment claims generated by special admit courses will be in full compliance with applicable statutes and regulations that require courses to be open to the public, that course work is at the college level, and that the special admit student's attendance has been approved by his/her parents and the high school principal.

Initial conclusion and recommendation: No further action seems warranted at this time.

66. Ventura CCD

The Chancellor's Office identified and reviewed 210 credit course sections for 2001-02 including 74 PE course sections from its 3 colleges. The college did not identify any discrepancies during its review of its concurrent enrollment procedures. However, we noted some existing practices that deserve additional examination. From August 20, 2001, through December 19, 2001, the district offered conditioning for athletes on high school campuses on Mondays and Wednesdays from 4:30 pm until 5:50 pm. The timing of these sections could conflict with or substitute for after-school high school sports practices. **Initial conclusion and recommendation:** Additional analysis and assessment will be done to determine if these sections were open to the entire community college population and the general public.

67. Victor Valley CCD

The Chancellor's Office identified and reviewed 18 course sections for 2001-02. The district identified that two course sections failed to meet the minimum standards for college-level academic rigor and did not include those sections in its 2001-02 Apportionment Attendance Report. The district also conducted two course sections during its summer 02 term entitled "Summer Youth Science Academy" that should further be analyzed further.

Initial conclusion and recommendation: The Chancellor's Office will resolve whether the course sections were effectively open to the public and take any further action necessary.

68. West Hills CCD

The Chancellor's Office identified and reviewed 45 credit course sections for 2001-02 including 26 PE course sections. The district did not identify any discrepancies in its review of its concurrent enrollment procedures. We noted, however, that course sections entitled "Fitness for Youth" with special admit enrollment of 458 out of a total enrollment of 463 should be analyzed further to determine if they meet the minimum requirements for claiming apportionment funding.

Initial conclusion and recommendation: The Chancellor's Office will determine if the "Fitness for Youth" course sections mentioned above were effectively open to the public and adjust the district's apportionment claim if necessary.

69. West Kern CCD

The Chancellor's Office identified and reviewed four course sections for 2001-02. During its review, it noted that no parental or principal permission was available for three of the four course sections. The district reduced the apportionment claim on its Apportionment Attendance Report by 0.34 FTES.

Initial conclusion and recommendation: Although the district appears to have resolved the issues noted above for 2001-02, we anticipate a small reduction in lottery and instructional equipment funding allocations for fiscal year 2001-02.

70. West Valley-Mission CCD

The Chancellor's Office identified and reviewed 39 credit course sections for 2001-02. From its review, the district identified six course sections that did not have complete evidence of parental or principal permission for special admit enrollees to attend college classes.

Initial conclusion and recommendation: The Chancellor's Office will determine the extent of special admit enrollees having sufficient parental or principal's approvals and adjust the district's apportionment claim for 2001-02 as necessary.

71. Yosemite CCD

The Chancellor's Office identified and reviewed 40 credit course sections for 2001-02 including 10 PE course sections. In its response to our review, the district did not respond to our question concerning whether 34 of its credit course sections at Modesto Junior College were open to the public.

Initial conclusion and recommendation: Additional analysis will be done to resolve this issue and the district's 2001-02 apportionment claim will be adjusted as necessary.

72. Yuba CCD

The Chancellor's Office identified and reviewed 144 credit course sections for 2001-02 including 66 PE course sections. The district conducted 29 of its 66 PE course sections on high school campuses. The district's review determined that the special admit enrollment included in this review met the minimum requirements for claiming apportionment funding.

Initial conclusion and recommendation: No additional action appears warranted at this time.

IV. Conclusions and Recommendations

A. Conclusions: Based upon our review of all concurrent enrollment activity, and based upon the initial results of this investigation, we have reached the following conclusions:

1. During the period of 1997-98 to 2001-02, concurrent enrollment programs grew rapidly in the California Community Colleges. 2001-02 is the year in which concurrent enrollment activity peaked within the community colleges. In the current year (2002-03), concurrent enrollment activity has been significantly reduced, particularly with respect to physical education offerings. As compared with the level of physical education concurrent enrollment FTES in fall 2001, physical education FTES fell by 35% in fall 2002. From the district-by-district responses submitted as part of this investigation, most districts have significantly curtailed concurrent enrollment offerings (particularly physical education offerings) as of the spring and summer of 2003.

2. As to 2001-02 concurrent enrollment programs, the Chancellor's Office estimates, on the basis of this review, that at least 6,300 FTES were not compliant with current statutes and regulations; if all of this reported FTES had been funded by the State, it would translate into a dollar value of roughly $20 million. However, because districts serve many FTES without receiving state funding, and because districts have the legal right to substitute disallowed FTES with unfunded FTES, the amount subject to recovery is limited to approximately $3 million.

3. Our preliminary investigation has found an additional 4,849 FTES at 18 districts that may or may not be compliant with law. (Please see appendix C for detail.) We will conduct further investigation of this FTES, including site visits if necessary. If all of this FTES were found, upon further investigation, to be non-compliant, the amount of funds that would be offset against future apportionments of these districts would be approximately $5.3 million.

4. Apart from issues of noncompliance with current provisions of statute and regulation, our review indicates that some districts within the system expanded concurrent enrollment programs (and particularly physical education programs) in a manner inconsistent with the core mission of the community colleges. The reasons for this behavior are complex, and can be debated at length; however, the Chancellor's Office does not condone this activity. Based upon this investigation, and based upon the Chancellor's advisories and admonitions to districts to review programs and discontinue this activity, we are confident that the final course activity and FTES reports for 2002-03 (available in November 2003) will demonstrate that districts have either eliminated or greatly reduced these lower priority offerings.

B. Recommendations: Based upon our investigation and based upon our earlier involvement with these issues, we recommend the following steps (some of which have already been taken):

- The Chancellor's Office and the Department of Finance identified the need for additional audit procedures related directly to concurrent enrollment. We have developed those procedures, and they will be effective for the 2002-03 audit cycle. Current law requires these audit procedures to be applied each year by independent auditors retained by districts under contract. These audit guidelines will better ensure that concurrent enrollment is conducted in accordance with law.

- The Chancellor's Office and the Department of Finance should jointly complete the analysis of outstanding issues and potential violations of regulations, including necessary site visits, for those districts identified in this review. Any necessary adjustments of claimed FTES will be withheld from apportionments in future years in accordance with existing regulatory authority. As a result of these activities, we expect that up to $8 million could be withheld with regard to noncompliant activity in 2001-02.

- The Chancellor's Office and the Department of Finance should perform additional review and investigation to see if fraudulent activities or intimidation occurred in registering special admit pupils. The Chancellor's Office is investigating specific complaints (North Orange) and will also look for evidence of inappropriate activities as part of any site reviews performed.

- The Chancellor's Office will work closely with the Department of Finance and the Legislature (specifically Senator Jack Scott, who is carrying SB 338) to clarify the statutes regarding concurrent enrollment programs. These statutory changes can narrow the program focus in terms of authorized programs, and can more specifically prescribe the circumstances under which community college apportionment may be claimed.

- In addition, the Chancellor's Office will review and analyze existing Title 5 regulations to more specifically address minimum standards for adequately publicizing course sections, and also specify under what conditions courses may utilize procedures other than the required publication of course information and description in the college class schedule catalog. The Chancellor's Office will also more fully develop regulations addressing what colleges must do to ensure parental approval has been provided.

Finally, there is the issue of whether the State should, in addition to all of the above actions, reduce system funding to colleges on an ongoing basis by reducing the system's base funding (general apportionment) for 2003-04. This is a policy choice for the State, a choice we urge the Legislature and Governor to be very careful in making.

Clearly, all parties agree that districts must be held accountable for previous noncompliant activities. We will pursue withholding and other corrective action for noncompliant activities in 2001-02 and 2002-03. Distinct from withholding funds on account of prior noncompliant activity that has been eliminated or corrected is the issue of whether the State should, in addition, reduce funding to districts on a permanent basis.

We believe there are three important factors the State should weigh in making this decision. First, based on our review, noncompliant concurrent enrollment FTES, and concurrent enrollment FTES in physical education programs is already greatly reduced in the system. From fall 2001 to fall 2002, there was a 35% reduction in concurrent enrollment FTES in physical education programs. Based upon the responses we received from districts regarding concurrent enrollment programs for spring and summer of 2003, the volume of activity is dropping even more. Thus, by the end of 2002-03, the levels of concurrent enrollment FTES, particularly in physical education programs, will be very small. Second, during recent years, the community colleges have been serving between 35,000 to 45,000 FTES for which no funding has been provided by the State. This level of unfunded FTES is at least three to four times greater than the levels of noncompliant FTES in concurrent enrollment programs, and at least two times greater that the total volume of FTES activity in concurrent enrollment physical education programs. To reduce funding on a permanent basis would put the State in the questionable position of not funding the colleges for $100 to $150 million of FTES that has been legally generated (to serve additional students), yet deciding to take away funds on a permanent basis on account of offerings that have already been removed from the curriculum. Finally, we believe it is in our students' and our State's interests that the colleges be provided with some capacity to retain and shift their resources to programs of high priority. Taking away funds on a permanent basis will only harm the ability of the colleges to redirect funds to high priority access needs.

For all these reasons, the Chancellor's Office recommends that the State should focus on withholding funds for prior noncompliant activity in particular fiscal years, clarifying the law, and holding districts accountable on a prospective basis. In view of the above, we do not recommend ongoing reductions in funding for general apportionment in the 2003-04 budget. We recognize that the Administration has a different position on this matter and that the Legislature may choose to agree with the Administration. (The Governor's May Revision calls for a $25 million ongoing reduction in general apportionments on this issue.) In the event that an ongoing reduction is made in the 2003-04 general apportionment funding, we urge that it be kept as small as possible, and that the system be given maximum discretion in determining the best method of allocating this reduction.

Appendix A – Districts That Revised Their 2001-02 Apportionment Claims

The 27 districts listed below identified FTES previously claimed in 2001-02 that they subsequently determined not to be claimable and for which they have revised their Apportionment Attendance Reports. All but one of these districts had sufficient unfunded FTES to replace the disqualified FTES with claimable FTES as allowed by Title 5 regulation. The table below identifies each district and the approximate dollar amount of the associated reduction of funding resulting from the revision of total qualified FTES. Additional information is provided below for those districts with insufficient unfunded FTES to offset the reduction in claimable FTES.

District	Total FTES Reduction[a]	Funded FTES Reduction[b]	Approximate Funding Reduction[c]
Cerritos	259.85	0	$ 34,900
Chabot – Las Positas	85.46	0	11,500
Coast	17.23	0	14,000
Feather River	38.16	0	5,100
Foothill – De Anza	93.10	0	12,500
Hartnell	13.03	0	11,000
Kern	28.65	0	107,000
Lassen	53.15	0	7,100
Los Angeles	3,795.17	0	510,000
Los Rios	342.57	0	46,000
Merced	37.68	0	162,000
Mira Costa	3.69	0	800
Monterey Peninsula	8.93	0	1,200
Palomar	5.13	0	700
Peralta	186.43	0	25,000
Riverside	41.25	0	5,500
San Bernardino	1.48	0	200
San Diego	254.65	0	34,200
San Francisco	161.72[d]	0	266,700
San Joaquin Delta	13.72	0	1,800
San Luis Obispo	5.95	0	800
San Mateo	41.78	0[e]	5,600
Shasta–Tehama–Trinity	87.06	0	78,000
Sonoma County	6.37	0	900
South Orange County	31.77	31	102,000
Southwestern	9.70	0	1,600
West Kern	0.34	0	50
	5,554.19	31	$1,146,150

[a] Included funded and unfunded FTES.

[b] Title 5, California Code of Regulations, Sections 58134 and 59116, allow districts to offset disallowed FTES with unfunded FTES to the extent available to maintain the full funding to which they are entitled.

[c] Includes funding reductions for instructional equipment and lottery funds, which are distributed on the basis of total FTES, and funding reductions for basic skills supplement, which depends in part on reported unfunded FTES.

[d] Total FTES consists of 91.89 credit FTES and 69.83 non-credit FTES.

[e] Title 5, California Code of Regulations, Section 58776, maintains the district's funding at its approximate base level to offset the district's declining workload condition.

Appendix B – Districts That Identified Unclaimable FTES But Did Not Revise Their 2001-02 Apportionment Claims

The 11 districts listed below identified course sections with special admit enrollment for 2001-02 that did not fully comply with the minimum requirements for claiming state apportionment funding. However, these districts opted not to submit revisions to their apportionment claims for fiscal year 2001-02 at this time. The table below lists each such district with an estimated funding reduction based on the reduced lottery and instructional equipment allocations resulting from the decreased total number of qualified FTES. Additional information is also provided below for those districts with insufficient unfunded FTES to offset the estimated decrease in claimable FTES.

District	Estimated Total FTES Reduction[a]	Estimated Funded FTES Reduction[b]	Approximate Funding Reduction[c]
Contra Costa	449	425	$1,300,000
El Camino	15	0	2,000
Mendocino – Lake	60	0	8,000
Pasadena Area	1	0	200
Rancho Santiago	2	0	200
Rio Hondo	4	0	600
San Jose–Evergreen	96	96	293,000
Sierra	96	68	209,000
Ventura	32	0	4,200
Victor Valley	2	0	300
West Valley–Mission	2	0	300
Total	759	589	$1,817,800

[a] Includes funded and unfunded FTES.

[b] Title 5, California Code of Regulations, Sections 58134 and 59116, allow districts to offset disallowed FTES with unfunded FTES to the extent available to maintain the full funding to which they are entitled.

[c] Includes funding reductions for instructional equipment and lottery funds, which are distributed on the basis of total FTES.

Appendix C – Districts With Questionable 2001-02 Concurrent Enrollment Requiring Additional Analysis to Determine Whether The Associated FTES Qualifies for State Apportionment

The 18 districts listed below have special admit enrollment in course sections for 2001-02 that require additional analysis to verify that the FTES generated by these course sections are eligible for state apportionment funding. Although the districts reviewed the FTES associated with these course sections and classified it as eligible for apportionment funding, we believe that the acceptability of the underlying special admit enrollments has not yet been conclusively established at this time. The table below lists each of the 19 districts with a rough estimate of the funding reduction that could result if all of the questioned enrollments are determined to be unclaimable for state apportionment funding.

District	Approximate FTES In Question[a]	Approximate Funded FTES in Question[b]	Approximate Maximum Funding Reduction[c]
Butte	1,150	1,150	$3,450,000
Chaffey	90	0	12,100
Coast	590	420	1,350,000
Compton	170	0	22,800
El Camino	240	0	32,300
Grossmont–Cuyamaca	50	0	6,700
Kern	6	0	700
Lake Tahoe	4	0	500
Monterey Peninsula	20	0	2,700
Mt. San Antonio	800	0	107,500
North Orange County	990	0	130,000
Rancho Santiago	4	0	500
Riverside	10	0	1,300
San Mateo	20[d]	0	2,500
Santa Clarita	460	0	62,000
Ventura	150	0	20,000
West Hills	50	0	6,700
Yosemite	45	45	135,000
Totals	4,849	1,615	$5,343,300

[a] Includes funded and unfunded FTES.

[b] Title 5, California Code of Regulations, Sections 58134 and 59116, allow districts to offset disallowed FTES with unfunded FTES to the extent available to maintain the full funding to which they are entitled.

[c] Assumes all FTES in question is disallowed. Also includes funding reductions for instructional equipment and lottery funds, which are distributed on the basis of total FTES.

[d] Title 5, California Code of Regulations, Section 58776, maintains the district's funding at its approximate base level to offset the district's declining workload condition.

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